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UNCLAS DJIBOUTI 001111

SIPDIS

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TAGS: [AMGT](#) [ABLD](#) [ASEC](#) [DJ](#)

SUBJECT: DISPOSITION OF EXISTING CMR AND  
COMPOUND IN DJIBOUTI

REF A) STATE 197023; B) DJIBOUTI 627

1. (U) Post appreciates OBO's advance planning for disposition of the existing CMR and mission compound in Djibouti in conjunction with construction of the New Embassy Compound. While the current location offers many benefits for maintaining the CMR where it is, the design and size of the residence are incompatible with minimum Ambassadorial representation and housing requirements. Moreover, its co-location with all other mission functional buildings, except the warehouse, affects maximum use of the existing site.

2. (U) OBO might consider constructing a new CMR on the existing compound after the functions of the chancery and related buildings move to the new site, even though this would result in some inconvenience and the need for temporary CMR relocation. The current compound is one of the rare sites in this nation with many mature trees. That is a significant concern in the statistically hottest nation on earth, and a very much barren nation as well. Also the existing compound is much closer to other CMRs, government offices and diplomatic missions than would be the case if a new CMR were constructed near the NEC. Continued use of the existing site would encourage acceptance of representation invitations and thus better enable the mission to fulfill that requirement, compared to site selection proximate to the NEC.

3. (U) Nevertheless, should the Department be required to sell the existing property, post advises that the Kingdom of Saudi Arabia (KSA) is a potential buyer. The KSA already owns a vacant lot next to the existing compound and has expressed interest in acquiring the U.S. compound if it is to be sold. The EU, the Government of Djibouti, and possibly the French military, might also be potential buyers.

4. (U) If the existing compound will be sold, post suggests that one option for a new CMR would be to work with local developers on a build-to-lease CMR arrangement, using American designs to enhance property usefulness. Post believes property owners in Djibouti would be interested in developing/constructing a CMR but that they would need to be guided to construct a property to American standards. If this method is selected, work should coincide with construction of the NEC to permit the entire existing compound to be totally vacated when the NEC is occupied.

5. (U) Post asks OBO to consider carefully the long-term benefit of retaining ownership of existing property versus leasing. Post estimates that leasing a property would cost a minimum of USD 85,000 per year, and likely more. The current compound was recently appraised at USD 1,863,000. In just a few years lease payments would equal current value and thereafter would require the Department to "dip into its pockets" for subsequent funding. Construction of a new residence on the existing compound should cost much less than the expense of lease arrangements where the USG would be permanently paying someone else. Consider also that the existing compound, as a potential CMR site, already has in place many security enhancements that would have to be duplicated elsewhere at additional, substantial cost - nine-foot walls, cameras, vehicular controls, for example.

6. (U) Post will work closely with OBO, DS, AF/EX and others on whatever eventual process occurs.

RAGSDALE